Video Relay Service: Program Funding and Reform

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Summary

The Federal Communications Commission (FCC) regulates a number of disability-related telecommunications services, including video relay service (VRS). VRS allows persons with hearing disabilities, using American Sign Language (ASL), to communicate with voice telephone users through video equipment rather than through typed text. VRS has quickly become a very popular service, as it offers several features not available with the text-based telecommunications relay service (TRS).

The FCC has adopted various rules to improve VRS service. Now VRS providers must answer 80% of all VRS calls within 120 seconds. VRS providers must also offer the service 24 hours a day, seven days a week. Additionally, in June 2010, the FCC began a comprehensive review of the rates, structure, and practices of the VRS program to minimize waste, fraud, and abuse and update compensation rates that had become inflated above actual cost. Rules in that proceeding were issued in June 2013. The new rules initiated fundamental restructuring of the program to support innovation and competition, drive down ratepayer and provider costs, eliminate incentives for waste, and further protect consumers. In addition, the new rules transition VRS compensation rates toward actual costs over the next four years, initiating a step-by-step transition from existing tiered TRS Fund compensation rates toward a unitary, market-based compensation rate.

On March 1, 2016, the FCC granted limited compensation rate relief for VRS providers with 500,000 or fewer monthly minutes. This relief affects eligible VRS providers on both a retroactive and "going-forward" basis from certain compensation rate adjustments adopted in 2013.

Congressional interest in the VRS program is twofold: eliminating fraud and abuse in the program and maintaining the usefulness of the program for users. Controversy has arisen over the latest proposals for change to the program being considered by the FCC. The FCC believes that rate structure changes are needed to reduce fraud and better manage the VRS program, but the deaf and hard-of-hearing community is concerned that funding cuts will result in fewer and less-qualified ASL interpreters. Additionally, the FCC has proposed changing the technologies used to operate and use the system, but the community is concerned that changes in technology will decrease the quality of the system as it is now and also potentially pose challenges to some users.

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Introduction: How Video Relay Service Works

The Federal Communications Commission (FCC) regulates a number of disability-related telecommunications services, including video relay service (VRS). VRS is a form of telecommunications relay service (TRS).[1] The service allows persons with hearing disabilities, using American Sign Language (ASL), to communicate with voice telephone users through video equipment rather than through typed text. Video equipment links the VRS user with a "communications assistant" (CA) so that the VRS user and the CA can see and communicate with each other in signed conversation (see **Figure 1**).

Figure 1. How Video Relay Service Works

Source: Gallaudet University, "Accessible Emergency Notification and Communication: State of the Science Conference (Presentation)," http://tap.gallaudet.edu/Emergency/Nov05Conference/Presentations/maddix_files/textmostly/slide2.html.

VRS has quickly become a very popular service. It offers several features not available with the text-based TRS:

- People with hearing disabilities can communicate using ASL rather than typing what they want to say. This allows them to incorporate facial expressions and body language into their conversations, which cannot be done using text.
- A VRS call is more like a telephone conversation between two hearing persons. For example, the parties can interrupt each other. The parties cannot interrupt each other during a traditional TRS call because the parties have to take turns communicating with the CA.
- Conversation flows more naturally between the parties, so the conversation may take place more quickly than with TRS.
- VRS calls may be made between ASL users and hearing persons speaking either English or Spanish.

[1] TRS is not specifically addressed in this report. TRS is available to the speech impaired and deaf-blind (telebraille). VRS is only for the deaf and hard-of-hearing. Neither the blind nor the speech impaired would benefit from VRS since they would not be able to see the operator or speak to the operator, respectively. Information about the TRS program is available at http://www.fcc.gov/guides/telecommunications-relay-service-trs. Information about telebraille is available at http://www.deafblind.com/telebrl.html.

VRS is different from other forms of TRS in two important ways: (1) the conversation between the VRS user and the CA is made through a video link and sign language rather than typed text; and (2) the service relies on the Internet, rather than the public telephone system, for the connection between the VRS user and the CA. Also, unlike some other forms of TRS, VRS is not mandatory.

Program Overview

VRS is free to the caller, and VRS providers are reimbursed for their costs from the TRS Fund.

Management

Since July 1, 2011, the TRS Fund has been administered by Rolka Loube Saltzer Associates, LLC (RLSA). Prior to that date, the fund was administered by the National Exchange Carriers Association.

VRS Provider Service Standards

VRS providers are subject to certain requirements and prohibitions:

- Eighty percent of all VRS calls must be answered within 120 seconds.
- Service must be offered 24 hours a day, seven days a week.
- VRS providers must provide their users with a 10-digit telephone number, so users will be able to make 911 calls and have their location data routed to the appropriate emergency agency.
- Preferential treatment of calls is prohibited. VRS (and TRS) providers must handle calls in the order in which they are received. They cannot selectively answer calls from certain consumers or certain locations.
- Equipment distributed by a certified VRS provider must be interoperable with the technology of other certified VRS providers.
- VRS (and TRS) providers may not offer financial incentives to use their service or to make more or longer VRS (or TRS) calls.

Funding Source

The VRS program is funded through the larger TRS Fund. The TRS Fund[2] is a revolving fund financed through contributions by all providers of interstate telecommunications services.[3] Contributions are based on a "contribution factor" that is set on an annual basis by the FCC.

[2] The TRS Fund is similar to another FCC program, the Universal Service Fund (USF). For information on the USF, see CRS Report RL33979, *Universal Service Fund: Background and Options for Reform*, by (name redacted) .

[3] Contributions are made by all carriers who provide interstate services, including, but not limited to, cellular telephone and paging, mobile radio, operator services, personal communications service, access (including subscriber line charges), alternative access and special access, packet-switched, WATS, 800, 900, message telephone service, private line, telex, telegraph, video, satellite, intraLATA, and international and resale services.

Provider Contributions, Compensation, and Reimbursement

The FCC adopted a four-year schedule to gradually adjust VRS compensation rates downward every six months. This schedule began on July 1, 2013, and will end on June 30, 2017.

Table 1. Per-Minute VRS Compensation Rates, January 2013–July 2017

	Jan.-Jun. 2015	Jul.-Dec. 2015	Jan.-Jun. 2016	Jul.-Dec. 2016	Jan.-Jul. 2017
Tier I Rate	$5.29	$5.06	$4.82	$4.44	$4.06
Tier II Rate	$4.82	$4.82	$4.82	$4.44	$4.06
Tier III Rate	$4.25	$4.06	$3.87	$3.68	$3.49

Source: In the Matter of Structure and Practices of the Video Relay Service Program (CG Docket No. 10-51) and Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities (CG Docket No. 03-123), Report and Order, Federal Communications Commission, March 1, 2016, https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-25A1.pdf.

Note: The Tier I Rate applies to a company's first 500,000 monthly minutes; the Tier II Rate applies to a company's second 500,000 monthly minutes; and the Tier III Rate applies to a company's monthly minutes exceeding 1 million.

Based on compensation rates, projected demand for all TRS-related services, and projected fund administration expenses, for the period January 1, 2016, through June 30, 2016, the FCC adopted a funding requirement of $1,048,050,673, and a carrier contribution factor of 0.01635.[4]

On May 9, 2016, the FCC released a notice seeking comment on the proposed compensation rates for July 1, 2016, through June 30, 2017. Based on compensation rates, projected demand for all TRS-related services, and projected fund administration expenses, for the period July 1, 2016, through June 30, 2017, Rolka Loube proposed a funding requirement of $1,143,600,000, and a carrier contribution factor of 0.01862.[5] Comments to this notice were due May 24, 2016, and reply comments were due June 3, 2016.

Policy Considerations

The FCC has implemented changes to the VRS program to reduce fraud and abuse, better manage the amount of money that is collected to fund the program, and take advantage of technological advancements.

The primary concern of the deaf and hard-of-hearing community appears to be that cuts to the fund may result in fewer and less-qualified ASL interpreters, which would decrease the functional equivalency of the service. Additionally, it is concerned that changes in technology—even "better" technology—will decrease competition among service providers, possibly decreasing innovation. Moreover, the community believes that changes in the technology could pose challenges to some users and make placing and receiving calls more difficult.

[4] In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities (CG Docket No. 03-123) and Structure and Practices of the Video Relay Service Program (CG Docket No. 10-51), Order, Federal Communications Commission, June 30, 2015, https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-25A1.pdf.

[5] *In the matter of Interstate Telecommunications Relay Services Fund Payment Formula (CG Docket No. 10-51), and Fund Size Estimate, (CG Docket 03-123*), Public Notice, Federal Communications Commission, May 5, 2016.

Congressional Considerations

The deaf and hard-of-hearing community will likely continue to contact Congress whenever changes are proposed for the VRS program. The community relies heavily on the program, so it is understandable that they might view any proposed changes with concern. However, the FCC also has a responsibility to make sure that the fund remains solvent and to take advantage of advances in technology that it has determined will improve the system. Congress may wish to monitor the current proposed changes to the system to ensure that the FCC, while working to modernize TRS technology and minimize financial abuse, also gives full consideration to the concerns of the deaf and hard-of-hearing community.

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